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FINANCE SECRETARIAT

Procedure for the accounting of Sugarcane Cess.

READ—

1. Government Order No. RD 14 SGC 57, dated 4th January 1958.
2. Letter No. 646/Dep. 3/D 2, dated 31st January 1958, from the Accountant General Mysore, Bangalore.
3. Letter No. FD 188 BUD 57, dated 31st October 1958 addressed to the Accountant General, Mysore, Bangalore.
4. Letter No. Dep 3/D 1/154, dated 24th December 1958, from the Accountant General, Mysore, Bangalore.

Prior to 15th June 1959 the Sugarcane Cess was levied under the laws in force in the respective integrated areas of the New Mysore State. The Mysore Sugarcane Cess Act, 1958 (Act No. 27 of 1958) which extends to the whole of the State of Mysore, has been brought into force from 15th June 1959. Section 12 of the Act requires that the proceeds of the Cess and the fees recovered under the Act should first be credited to the Consolidated Fund of the State and after deduction of expenses of collection and recovery transferred to a separate fund called the "*State Sugarcane Cess Fund*". In view of this and other statutory requirements, it is necessary to issue certain instructions regarding the collection, utilisation, accounting procedure, etc., in respect of the Cess. Accordingly the following instructions are issued in the matter.

ORDER NO. FD 188 BUD 57, DATED BANGALORE, THE 28TH NOVEMBER 1959 (AGRAHAYANA 7, SAKA ERA 1881).

The proceeds of the cess and the fees recovered under the Mysore Sugarcane Cess Act, 1958 (Act No. 27 of 1958) should be first credited to the Consolidated Fund of the State under "*XIII—Other Taxes and Duties—or Receipts under the Sugarcane Cess Act*". At the end of each financial year these proceeds, after deducting expenses of collection and recovery as may be prescribed by Government from time to time, should be transferred to a separate fund called the State Sugarcane Cess Fund by *per contra* debit to "13—Other Taxes and Duties —d—Transfer to the State Sugarcane Cess Fund". Government is pleased to establish this Statutory Fund with effect from 15th June 1959, the date from which the Mysore Sugarcane Cess Act, 1958 (Act No. 27 of 1958) came into force. The existing funds *viz.*, (i) Sugarcane Cess Fund, Mysore and (ii) Sugarcane Cess Fund, Bombay, should be extinguished from the same date, *i.e.*, 15th June 1959. The question of transferring the balances standing at the credit of these funds to the new fund will be taken up in due course.

2. According to Section 12 (2) of the Act, the Sugarcane Cess Fund is to be expended in such manner and under such conditions as may be prescribed, for the purpose of:

(*a*) the development and improvement of cultivation, growth and marketing of Sugarcane and other irrigated crops, including research for such development and improvement;

(*b*) the development of sugar industry in the State;

(*c*) the improvement of health, encouragement of technical education and development of communications in the notified areas in which sugarcane is grown for supply to the notified factories;

(*d*) meeting the expenses in connection with the administration of the State Sugarcane Cess Fund and the functioning of the Advisory Committees; and

(*e*) such other prescribed purposes.

Such of the expenditure on the above mentioned objects which is to be finally met out of the Sugarcane Cess Fund will initially be met out of the Consolidated Fund of the State and transferred to it (Sugarcane Cess Fund) at the close of the year. The Officers concerned such as the Director of Agriculture, Director of Public Health, Director of Technical Education, Executive Engineers of concerned Divisions, Commissioner of Commercial Taxes, etc., should classify the expenditure which is to be finally met out of the Sugarcane Cess Fund just like other normal

expenditure of their Departments under the concerned service heads, *viz.*, '40—Agriculture', '39—Public Health', '37—Education', '50—Civil Works', '12—A—Sales Tax', '13—Other Taxes and Duties', etc. The expenditure met out of the Sugarcane Cess Fund should be shown as reduction of expenditure under the service heads concerned. These adjustments will be carried out by the Accountant General, Mysore. In order to facilitate these adjustments such expenditure should be exhibited separately as far as possible. Where this is not possible, at least the expenditure to be met out of the Fund should be clearly indicated. Under no circumstances the credits and debits should be made to the fund directly. All credits and debits must pass through the Consolidated Fund of the State.

3. The Revenue Department of the Secretariat is designated as the 'Administrative Department so far as the administration of this Act is concerned. The Commissioner of Commercial Taxes is the Chief Controlling Officer while the Deputy Commissioners of Commercial Taxes of the Districts in which the Sugar Factories are situated (*Mandya, Shimoga, Bellary, Belgaum and Raichur Districts*) will be the Estimating Officers in respect of 'XIII—Other Taxes and Duties—r—Receipts under the Sugarcane Cess Act' and '13—Other Taxes and Duties—d—Transfer to the State Sugarcane Cess Fund'. The Commissioner of Commercial Taxes will also be the Controlling Officer in respect of State Sugarcane Cess Fund. The Accountant General should communicate the balance in the Fund to that Officer for acceptance.

4. If any cess collected after 15th June 1959 is credited to a head other than 'XIII—Other Taxes and Duties—r—Receipts under the Sugarcane Cess Act' the Deputy Commissioners of Commercial Taxes concerned should take steps to get it transferred to the correct head (*XIII—Other Taxes and Duties*). The Deputy Commissioners of Commercial Taxes should also inform the managements of the Sugar Factories under their jurisdiction to credit the cess to the correct head of account.

5. All schemes and works which are proposed to be financed from the State Sugarcane Cess Fund should be sent to the Administrative Department of the Secretariat concerned which will examine them in consultation with Revenue and Finance Departments and sanction them, if approved.

By Order and in the name of the Governor of Mysore,

N. S. BHARATH,
Deputy Secretary to Government,
Finance Department (Budget).

PLANNING AND DEVELOPMENT SECRETARIAT

Prohibition of 'Begar' or forced labour

CIRCULAR

No. P & D 125 SCH 58, DATED BANGALORE, THE 23RD NOVEMBER 1959 (MARGASIRA 2, SAKA ERA 1881).

Begar and other similar forms of forced labour have been prohibited under Article 23 of the Constitution and any contravention of this provision has been declared an offence punishable in accordance with Law. The State Government is, however, empowered to impose compulsory service for public purposes but no descrimination, however, can be made while imposing such service on grounds only of religion, race, caste or class or any of them. forced Labour, wherever prevalent is generally practised to the disadvantage of the backward classes and the Scheduled Castes and Scheduled Tribes are generally the victims.

2. The Commissioner for Scheduled Castes and Scheduled Tribes in his Report or the year 1956-57 has recommended that wherever this 'begar' system is prevalent, it is desirable that action should be taken to eradicate it completely.